

Malcolm A. Mackenzie, SBN 48278
Elizabeth A. Mackenzie, SBN 202010
Coombs & Dunlap, LLP
1211 Division Street
Napa, California 94559
Telephone: (707) 252-9100
Facsimile: (707) 252-8516

Attorneys for Creditor
The Rock Source, LLC

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re the Chapter 7 Bankruptcy of:

Jon Sakasegawa

Debtor.

Case No. 10-32776-C-7

**MOTION FOR ORDER
GRANTING TRUSTEE
AUTHORITY TO SELL LIMITED
LIABILITY MEMBERSHIP
INTEREST**

Date: 9/20/2010

Time: 9 a.m.

Dept: 28

The Rock Source, LLC, a California limited liability company, ("the LLC") moves this Court for an Order Granting Trustee Authority to Sell Debtor's membership interest in the LLC pursuant to 11 U.S.C. §363. Movant further alleges:

1. Debtor Jon Sakasegawa holds a 25% membership interest in the LLC.
2. The other members and their respective membership interests are as follows: Lisa Sakasegawa (25%); Lynne Skaggs (25%) and Carroll Skaggs (25%).
3. A copy of the LLC's Operating Agreement is attached to the Declaration in Support of Motion for Order Granting Trustee Authority to Sell Limited Liability Company Membership Interest.

1 4. In Section 6, paragraph 2, subparagraph d (2), the Operating Agreement provides that
2 a member ceases to be a member of the LLC if he or she files a voluntary petition in bankruptcy.

3 5. Based on Debtor's petition in this case, the LLC alleges that the Debtor's membership
4 interest is now subject to Section 6, paragraph 12 ("Involuntary Withdrawal from Creditor's
5 Proceedings, Levies or Bankruptcy") of the Operating Agreement. This provision provides that the
6 remaining members or the LLC may purchase the withdrawing member's interest in the LLC.
7 Section 6, paragraph 7 provides that the LLC shall have 60 days from the date of the member's
8 bankruptcy filing to purchase the withdrawing member's interest. If the members cannot agree for
9 the LLC to purchase that interest, then the other members have 30 days to give notice of their intent
10 to purchase.

11 6. In order to allow Debtor's membership interest to be sold consistent with the LLC's
12 Operating Agreement, pursuant to 11 U.S.C. §363(b)(1), the LLC seeks an order from this Court
13 authorizing the Trustee to sell Debtor's membership interest to either the LLC or to individual
14 members.

15 7. The LLC anticipates that once all members are notified, either the LLC or individual
16 members will submit a written proposal to the Trustee to purchase Debtor's membership interest.

17 8. The process of determining the appropriate party to purchase Debtor's membership
18 interest is complicated by the fact that the LLC has obtained a judgment for \$101,323.44 against
19 both Debtor and member Lisa Sakasegawa. A copy of that judgment is attached to the Declaration
20 in Support of Motion for Order Granting Trustee Authority to Sell Limited Liability Company
21 Membership Interest.

22
23 WHEREFORE, Movant prays as follows:

- 24 1. For an Order granting the Trustee the authority to sell Debtor's membership interest in
25 The Rock Source, LLC, a California limited liability company, consistent with the terms
26 set forth in the LLC's Operating Agreement.
27 2. For attorneys' fees and costs incurred herein.
28 3. For such other relief as the Court deems proper.

Date: August 21, 2010

COOMBS & DUNLAP, LLP

By: 

Malcolm A. Mackenzie
Attorneys for The Rock Source, LLC